

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1828 - SB 1984

February 24, 2014

SUMMARY OF BILL: Prohibits the state from adopting the Partnership for Readiness for College and Careers (PARCC) assessment and from requiring local education agencies (LEAs) from administering the PARCC assessment. Requires the state to withdraw from PARCC and prohibits the state from joining any consortium that relinquishes control over assessments to an outside entity. Requires any adoption of new assessments as a replacement for the Tennessee Comprehensive Assessment Program (TCAP) tests to be at the discretion of the General Assembly.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$10,100,000/FY14-15
\$3,939,000/FY15-16 and Subsequent Years**

Other Fiscal Impact – It is unclear how this change will impact the state's federal Elementary and Secondary Education Act waiver and portions of the Race to the Top (RTT) grant funding, a majority of which has already been received by the state. Depending on the federal Department of Education's response, the federal government may withhold future federal funding or require the state to pay back a portion of the RTT grant funding that has already been received. Any such fiscal impact cannot be reasonably quantified and is dependent upon multiple unknown factors.

To the extent local education agencies elect to purchase new textbooks as a result of the new state assessment prompted by passage of this bill, the one-time permissive increase in local government expenditures is reasonably estimated to exceed \$1,000,000.

Assumptions:

- No change in current state curriculum standards.
- The state would not administer the PARCC assessment.
- The state will maintain membership in other consortiums or initiatives to which the state is already a party.

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- The state will develop a new test to align with existing state curriculum standards with the approval of the General Assembly. The new test will be implemented in the 2015-2016 academic year.
- Currently, the state is not spending any funds on PARCC test development. Using historical test development costs, the DOE estimates a one-time increase in state expenditures of \$10,100,000 for the development of new state assessments. This one-time state expenditure will occur in FY14-15.
- According to DOE, the state will spend an amount between \$21,000,000 and \$25,000,000 on the PARCC test administration. The exact amount is dependent upon multiple unknown factors such as the number of students who will take the PARCC test using pen and paper. However, and for the purpose of this fiscal note, it is reasonably assumed the cost to the state would be \$23,000,000.
- DOE estimates that the cost to administer new state tests that meets state standards would be approximately \$26,939,000.
- The difference between what the state is estimated to spend on the administration for PARCC assessments and the administration of a new state assessment is \$3,939,000 (\$26,939,000 - \$23,000,000). Therefore, the recurring increase in state expenditures for administering new state assessments is estimated to be \$3,939,000 beginning in FY15-16.
- The adoption of new state standards may take place in conjunction with the textbook purchasing cycle. However, if the adoption of new standards and the textbook cycle did not happen concurrently, the state would not require local education agencies (LEAs) to purchase new textbooks. To the extent LEAs elect to purchase new textbooks as a result the new state assessment prompted by passage of this bill, the one-time permissive increase in local government expenditures is reasonably estimated to exceed \$1,000,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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